

Worksession

Agenda Item #	4
Meeting Date	17 February 2004
Prepared By	Sara Anne Daines ECD Director
Approved By	Richard M. Finn City Manager

Discussion Item	Proposed Memorandum of Understanding with Urciolo Properties for Construction of Parking Facility in Old Town
Background	<p>The City Council is being asked to provide input on the development of a Memorandum of Understanding with John Urciolo, d.b.a. Urciolo Properties, for the construction and eventual lease/purchase of a parking facility in the Old Town business district. As previously noted, the City has applied for and received Community Legacy funds in the amount of \$300,000 from the Maryland Department of Housing and Community Development to offset costs associated with the project.</p> <p>The project as proposed provides for the development of a multi-level parking structure adjacent to the Takoma Metro Shopping Center with access available from Laurel/Carroll Avenues and Eastern Avenues. The benefits of city involvement in the project - limited financial risk, the creation of additional off-street parking for area customers and employees, control over the operation and maintenance of the facility, and the potential for future development in Old Town - are significant.</p> <p>The accompanying outline, highlighting the general parameters of the proposed agreement, is offered as a starting point for the development of the recommended agreement. The Council's comments will be forwarded to the City Attorney for incorporation in the final document. A second agreement, addressing the terms and conditions of the proposed lease of the parking facility will be developed as the project progresses.</p>
Policy	<p>"Focus on proactive initiatives to maintain the economic vitality of Takoma Park's commercial districts, encourage smart growth development, support transportation enhancements, and increase the local property tax base, while maintaining the character of the community."</p> <p style="text-align: right;"><i>FY04 Council Goals: Economic Development</i></p> <p>Listed projects include Phase II of the Old Town Parking Garage</p>
Fiscal Impact	To be determined as project progresses
Attachments	Summary Proposed Memorandum of Agreement - February 2004
Recommendation	To review and comment on the parameters of the proposed Memorandum of Agreement. Input received from the Council will be incorporated in a final document to be considered by the Council at a future meeting.
Special Consideration	

SUMMARY
Memorandum of Understanding
Development of Old Town Parking Facility

The following is a summary of the proposed partnership between the City of Takoma Park and Urciolo Properties, LLC (the “Property Owner”) for the development of an initial Memorandum of Understanding for the development of a proposed parking facility in the Old Town neighborhood. The facility, upon its completion and acceptance by the City of Takoma Park, is to be leased by the City for use as public parking.

The City of Takoma Park is partnering with Urciolo Properties to address the ongoing concerns of area businesses regarding the lack of public parking in the area and to maintain the economic vitality of this important commercial district.

Parameters of Project:

- Project provides for the construction of an approximately 11,000 sq. ft. multi-level parking structure located on Eastern Avenue and the expansion and reconfiguration of the existing Takoma Metro Shopping Center surface parking lot.

Project Development:

- Property Owner, in partnership with the City of Takoma Park, will adhere to the approved community outreach plan, working with local property owners, businesses and residents to address community concerns regarding the height and massing of the proposed structure, the treatment of the facade, storm water runoff, and the impact of the proposed parking structure on the adjacent historic district and residential neighborhood. The recommendations of the community will, to the greatest extent possible, be incorporated into the final concept plan.
- Property Owner will present for consideration by the Takoma Park City Council, final conceptual plans for the parking facility prior to the final submission of the proposal to the Maryland National Capital Park and Planning Commission and the Historic Preservation Commission. The recommendations of the Council will be forwarded to the reviewing agencies for consideration in their analysis.
- Property Owner will assume all responsibility for securing required approvals and permits from the Maryland National Capital Park and Planning Commission, the Historic Preservation Commission, Montgomery County Permitting Services, the City of Takoma Park and other required permits and authorizations.

Operational Assumptions:

- The proposed parking facility is financially feasible and anticipated revenues will support the costs of operating and maintaining the facility. No additional public funds beyond the

Community Legacy funds received by the City for the project, will be invested in its development or construction.

- The completed parking facility is to be available for use by the general public with parking spaces available on both a short term and long term basis. To ensure adequate revenue stream to offset operational and financing costs, the lease of spaces to metro commuters, Old Town business owners, area employees, and students will be explored.
- Upon acceptance of the completed project, the parking facility will be operated and maintained by the City of Takoma Park.

Development and Construction Financing:

- Property Owner will assume responsibility for the following development costs:
 - All soft costs (excluding \$39,000 in City financed engineering fees)
 - Construction of the approved parking facility
 - Financing costs
- City of Takoma Park will assume financial responsibility for the following costs:
 - Engineering (in an amount not to exceed \$39,000)
 - Acquisition and installation of required parking meters and/or equipment (in an amount not to exceed the \$300,000 Community Legacy award)
- City of Takoma Park will not assume responsibility for the reimbursement of any costs incurred by the Property Owner, beyond those identified, in the event a decision is made not to proceed or the project is not completed.

Proposed Land Lease and Ownership of Parking Structure

- Upon completion and acceptance of the parking facility, the facility will be leased to the City of Takoma Park for use as a public parking lot until such time as the Property Owner has been reimbursed for costs associated with the development and construction of the parking structure.
- Parking revenues generated by the facility - less direct operating and maintenance costs - will be used to repay the Community Legacy award and the Property Owner for approved development costs. No additional public funds are to be used to pay this obligation.
- Documents required for the lease of the parking facility will be prepared by the City of Takoma Park for execution by the Property Owner. Said documents will be submitted for Council review and approval prior to the construction of the proposed parking facility.

Proposed: February 2004